(c) if so, Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR): (a) Under the extant policy, a non-SSI unit can manufacture items reserved for manufacture in the small-scale sector after obtaining a license under the Industries (Development & Regulation) Act, 1951 with an obligation to export 50% of the production of SSI reserved items. Govemment have occasionally received information of violation of reservation policy by non-SSI units. The Government has, *inter* alia, so far initiated action in three such cases.

No, Sir.

Does not arise.

Penalty on tobacco cultivators of Andhra Pradesh

2567. SHRI NANDI YELLAIAH: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

whether it is a fact that the High Court of Andhra Pradesh declared 40% levy as penalty on tobacco cultivators of Andhra Pradesh, for 2000-2001 by Tobacco Board as discriminatory when compared to 5% Fee/ Levy as penalty imposed in Karnataka and directed the Board to retain 5% of the amount imposed and distribute the remaining amount to the respective tobacco growers;

whether Government would assure of withdrawing the case from the Supreme Court in the interest of tobacco growers, who contribute a significant share in securing foreign exchange reserves for the nation; and

if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) The Hon'ble High Court of AP directed the Tobacco Board to retain 5% of the amount imposed as penalty for excess/unauthorized AP crop during 2001 and refund the remaining amount charged in excess thereof to the AP farmers who had grown tobacco in violation of the 'Crop Holiday" declared by the Tobacco Board.

The Government has decided to withdraw the case from the Supreme Court for an out of Court settlement; in the interest of tobacco growers.

Does not arise.